



C. L. "BUTCH" OTTER
GOVERNOR

December 1, 2008

Dear Directors and Administrators,

Today I signed Executive Order 2008-05, directing a 3-percent holdback in all Executive departments, offices and institutions drawing resources from the General Fund. This amount is in addition to the 1-percent holdback I ordered in September.

I know that adjusting your budgets and once again reassessing and realigning your priorities will be challenging. However, I am confident you will continue showing the kind of responsible leadership in this process that the people of Idaho deserve and on which I have come to rely. This is an opportunity to apply your decision-making skills to developing the kind of innovative, creative and non-traditional solutions that make state governments the laboratories of our republic.

I encourage you to meet this new challenge head on, to be aggressive in assessing what is reasonably achievable and to keep the best interests of the people we serve first and foremost in your mind. Do not limit yourself to what has been done before; circumstances demand fresh approaches and a willingness to change and adapt to these difficult times. Being good and accountable stewards of public resources requires nothing less than our best efforts."

You have until noon on December 8, 2008 to complete your holdback plans, receive DFM confirmation of those plans and enter the holdback amounts in the STARS system (see DFM Guidance Memorandum Number 2008-05 for specific instructions).

While today's Executive Order is limited to a 3-percent holdback, you also are instructed to hold an additional 2 percent of your FY2009 General Fund appropriation in reserve in the event that further reductions are necessary.

Please examine all areas of your operation for potential savings. Nothing should be off limits for discussion and review. Particular attention should be paid to programs operating without direct constitutional or statutory authority. I strongly encourage you to consider eliminating entire programs that are not directly tied to your department, office or institution's primary mission.

Finally, all departments, offices and institutions must begin preparing now for FY2010. I am directing each of you to submit a plan to reduce your FY2010 base budget. Specific instructions will be provided by DFM.

As Always – Idaho, "Esto Perpetua"

A handwritten signature in dark ink, appearing to read "C.L. Butch Otter", with a stylized flourish at the end.

C.L. "Butch" Otter
Governor of Idaho